

Information Request AG-1-1

Please provide the best estimates of the milestone dates associated with divestiture transaction on a time line. Please include a schedule of the currently expected filing dates with all regulatory agencies, the approval dates from each agency and the approval dates of all other necessary agreements and contracts.

Response

The following is a schedule of the filing dates with all regulatory agencies, the currently expected approval dates from each agency, as well as the dates of all other necessary agreements and contracts. The parties anticipate receiving by November all regulatory approvals for which approvals must be obtained before closing, in order to achieve the targeting closing date of late-November, 2002.

Regulatory Agency	Filing Date or Projected Filing Date	Expected Approval or Effective Date
New Hampshire Public Utilities Commission	5/17/02	8/30/02
New Hampshire Nuclear Decommissioning Finance Committee	5/9/02	Mid-August 2002
Connecticut Department of Public Utility Control (CT DPUC)	5/17/02	The CT DPUC will bifurcate proceedings to allow EWG findings by 8/7/02 and a final order by 9/11/02
New York Public Service Commission	5/17/02	8/30/02
Vermont Public Service Board	6/28/02	8/30/02
U.S. Nuclear Regulatory Commission	5/17/02	11/15/02

Regulatory Agency	Filing Date	Expected Approval Date
<u>Federal Energy Regulatory Commission</u> Sellers' Joint Section 203 filing	5/17/02	8/1/02
Sellers' Joint Section 205 filing	5/17/02	8/1/02
Canal Electric Section 205 filing	5/17/02	7/17/02
FPLE Seabrook Section 205 filing	5/17/02	7/5/02
FPLE Seabrook EWG filing	after state PUHCA § 32(c) findings are received	60 days after filing
Department of Justice	6/18/02	Waiting period expires on 7/17/02
Environmental Protection Agency – transfer and re-issuance of NPDES Permit	5/20/02	11/1/02
FCC – approval of assignment of private radio licenses	6/20/02	8/1/02
U.S. Internal Revenue Service – request for private letter ruling	5/21/02	11/02 (expected 6 months from date of filing)
NH Site Evaluation Committee (NHSEC)	5/21/02	The sale does not require NHSEC approval.
U.S. Coast Guard – transfer of permit for navigational Aids	5/20/02	11/1/02
NH Department of Health and Human Services – Transfer of X-ray unit Registration	5/17/02	Permit to be issued one to two months after closing with effective date as of closing.
NH Department of Safety – Transfers of Fleet Inspection Station Permit and Dealer	5/23/02	11/1/02

Repair Permit		
NH Fish and Game – Transfer of Possession and Display of Finfish and Invertebrates Permit	5/17/02	Permit to be issued within one month after closing with effective date as of closing.
U.S. Army Corp of Engineers – Transfer of Corps of Engineers Permit	5/17/02	Approved for transfer on date of closing.
US Department of Transportation – Hazardous Material Registration	5/24/02	7/1/02
Transportation of Letter of Authorization for Marine Mammal Taking	5/17/02	11/1/02
NHDES – Reissuance of transfer of Hazardous Waste Limited Permit for Elementary Neutralization Unit No. DES-HW-LP-011 for Lab Drains in Radiological Control Area	5/17/02	by 11/1/02
Administrative permit amendment to Clean Air Act Amendments Title V Operating Permit No. TV –OP-017	5/20/02	11/1/02
Seabrook – Approval for Industrial Wastewater Discharge Permit (No. SEA10013)	5/17/02	11/1/02
Town of Seabrook business license	5/23/02	11/1/02

Information Request AG-1-13

Referring to page 9 of Mr. Dabbar's prefiled testimony, please provide an itemization and quantification of all "other assets except those identified in (a), (b), and (c)" referred to and please also provide the current book value, accumulated depreciation, and fair market value of each of those assets.

Response

Presented below is a summary of Canal's net plant investment in all Seabrook assets except nuclear fuel, Seabrook Unit 2 and the NAEC real property, and accumulated depreciation as of February 2002, consistent with the data provided in Exhibit 5 and as further discussed in the response to Information Request AG-2-6.

Seabrook Unit 1 Gross Investment	\$232,471,265
Seabrook Unit 1 Accumulated Depreciation	<u>191,173,724</u>
Seabrook Unit 1 Current Book Value	<u>\$ 41,297,541</u>

Canal does not calculate or maintain the fair market value of these assets on its books.

Information Request AG-1-23

Please provide a complete and detailed description of all of the terms of the agreement with the buyer to transfer legal and regulatory liability associated with each facility and its operations to buyer, providing cites to the Sales Documents when applicable.

Response

The Purchase and Sale Agreement (“PSA”) (Exhibit 3) provides that on and after the relevant closing date the buyer will assume, satisfy or perform all of the liabilities of the relevant sellers in respect of, or otherwise arising from the operation or use of, the Acquired Assets (as defined in the PSA) other than certain specifically excluded liabilities. The liabilities to be assumed, satisfied or performed by the Buyer are described with particularity in Section 2.3 of the PSA. In addition, Section 5.7 of the PSA describes the obligations of the buyer with respect to plant personnel as of and after the closing.

Information Request AG-1-24

Please provide a complete and detailed description of all of the legal and regulatory liabilities associated with each facility and their operations that will remain with the Company after the sale of the unit.

Response

The Purchase and Sale Agreement (“PSA”) (Exhibit 3) provides that the buyer shall not assume, satisfy or perform any of the liabilities listed in Section 2.4. Accordingly, the Company will be responsible for a pro rata portion of applicable liabilities listed in Section 2.4 in accordance with the Seabrook Joint Ownership Agreement. In addition, the Company has agreed to indemnify the buyer for a pro rata portion of certain Losses (as defined in the PSA), if any, incurred by the buyer to the extent set forth in Section 9.3 of the PSA, subject to the conditions and limitations set forth in Section 9 of the PSA.

Information Request AG-1-32

Please indicated whether the proposed sale in any way afford disparate treatment amongst the Companies for their respective ownership interests in Seabrook Station. Please identify and explain the purpose of any such disparate treatment.

Response

The terms of the proposed sale do not afford disparate treatment among similarly situated Sellers for their respective ownership interests. However, in certain limited instances, the terms of the proposed transaction recognize that individual Sellers may not be similarly situated as to the ownership of specific assets or the manner in which their ownership interests are financed.¹

¹ For example, Section 2.5(a) and Section 2.1(a)(i) of the PSA provide that FPLE Seabrook will pay North Atlantic Energy Corporation (“NAEC”) \$2.4 million for the real property that is solely owned by NAEC. NAEC’s solely owned property surrounds the jointly owned property and at one time acted as an exclusion zone around Seabrook station. Likewise, as a result of an individual owner’s circumstances at the time of sale, the terms of the PSA may result in differing impacts on a given owner. For instance, the level of an individual owner’s decommissioning “top-off” payment is dependent on the balance of that owner’s decommissioning trust fund at closing. See Section 5.10 of the PSA.

Information Request AG-1-33

Provide a list of all environmental liabilities related to Seabrook Station that buyer is not assuming. Please also quantify the cost of each of the environmental liabilities and provide the documentation that forms the basis for each such quantification.

Response

The Purchase and Sale Agreement (Exhibit 3) provides that the buyer shall not assume, satisfy or perform any of the liabilities, including the environmental liabilities, listed in Section 2.4. As of the date of this response, the Company has no knowledge of the existence of any such liability and therefore cannot quantify its cost.